

State of Rhode Island Revenue Brief FY 2008 Cash Collections through October 2007

Beginning in FY 2004, the State of Rhode Island Budget Office presented a more comprehensive assessment of fiscal year-to-date revenue collections. In particular, the Revenue Brief now contains information on the Other General Revenue Sources. These sources include the Gas Tax Transfer, Other Miscellaneous Revenues, the Lottery Transfer, and the Unclaimed Property remittance.

Users of the report should be cautious when comparing year-to-date growth rates to the revised growth estimate for Other Miscellaneous Revenues and Unclaimed Property as the receipt of these revenues is not continuous. That is, for these two general revenue categories, payments are received at discrete points in time over the course of a fiscal year. Further complicating matters is the fact that the discrete pattern of receipts varies so that payments received do not necessarily occur at the same point in time in each fiscal year.

Total General Revenues

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 7.1 %	<u>Actual YTD Growth</u> 18.7%	<u>Adjusted YTD Growth</u> 11.4 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$3.473 Billion	<u>Actual YTD Cash</u> \$1.107 Billion	<u>Adjusted YTD Cash</u> \$1.042 Billion

Fiscal Year 2008 total general revenues collected through October 2007 have increased by 18.7 percent as compared to Fiscal Year 2007 total general revenues collected through October of last year. For the fiscal year-to-date period through October 2007, total general revenues were \$1.107 billion as compared to \$932.6 million for the same period last year, an increase of \$173.3 million. Due to various causes, which are detailed below, adjustments need to be made to the fiscal year-to-date data for both FY 2007 and FY 2008. It is important to note that, in August 2007, \$124.0 million in net proceeds from the sale of residual Tobacco settlement bonds were posted to the General Fund. This large one-time receipt will not be removed to calculate the adjusted year-to-date cash growth as it was enacted in the FY 2008 legislative session and is an expected, though non-recurring, source of general revenues.

The FY 2007 Hospital Licensing Fee was due by July 16, 2007. A portion of the fee, \$4.4 million, was received in June 2007 and the remainder, \$66.8 million, was received in July 2007. Because the cash received in July 2007 accrued back to FY 2007, the \$66.8 million paid in July of FY 2008 must be adjusted out of total general revenues for FY 2008 to accurately reflect fiscal year-to-date revenues. The difference in payment schedule between fiscal years causes cash growth in departmental licenses and fees to appear higher than actual revenue growth before

adjusting for this payment. The FY 2008 Hospital Licensing Fee is due to the State by July 14, 2008, and will accrue back to FY 2008 if received during the fiscal year 2009 period, per the FY 2008 Appropriations Act.

In Fiscal Year 2008, motor vehicle revenues were understated by \$1.8 million due to the late posting of interstate trucking payments that are made to the forty-nine other states and Canada. Until FY 2005, this posting was made in June of each fiscal year. Beginning in FY 2005, this posting was not done until the following fiscal year. This pattern of late posting has since continued in each following fiscal year. The FY 2006 payments were made in August 2006, resulting in FY 2007 motor vehicle license and fees being understated by \$2.4 million.

The final tally for the Tax Amnesty provided at the May 2007 Revenue Estimating Conference (REC) run from July 1, 2006 through September 31, 2006 brought in \$6.5 million in late and overdue taxes identified as general revenues from July through October 2006. These tax collections were late or overdue are therefore attributable to prior years. However, because the estimated revenues resulting from the Tax Amnesty were included in the FY 2007 revenue base, these collections will not be adjusted out of the reported FY 2007 revenues.

Accounting for revenue adjustments yields an adjusted rate of growth for the fiscal year-to-date period through September 2007 of 11.4 percent. It should be noted that the adjusted year-to-date growth rate is not necessarily indicative of the projected annual growth. The FY 2008 preliminary growth estimate is an increase of 7.1 percent in total enacted FY 2008 general revenues over preliminary FY 2007 collections.

Taxes and Departmental Receipts

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 4.9 %	<u>Actual YTD Growth</u> 7.3 %	<u>Adjusted YTD Growth</u> —0.8 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$2.974 Billion	<u>Actual YTD Cash</u> \$890.3 Million	<u>Adjusted YTD Cash</u> \$825.4 Million

The State of Rhode Island Budget Office reports that FY 2008 taxes and departmental receipts collected through October 2007 have increased by 7.3 percent as compared to FY 2007 collections for the comparable period a year ago. For the fiscal year-to-date period ending October 2007, total taxes and departmental receipts were \$890.3 million as compared to \$829.8 million for the same period last fiscal year, an increase of \$60.5 million.

The Hospital Licensing Fee and the motor vehicle licenses and fees late interstate trucking payments result in a \$(66.8) million adjustment in FY 2008 for comparability between fiscal years. The motor vehicle licenses and fees late interstate trucking payments result in a \$2.4 million adjustment in FY 2007 for comparability between fiscal years. These modifications yield a FY 2008 adjusted growth rate in taxes and departmental receipts of —0.8 percent. The

FY 2008 preliminary growth estimate projects an increase of 4.9 percent in enacted total taxes and departmental receipts over preliminary FY 2007 collections.

Other General Revenue Sources

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 23.0 %	<u>Actual YTD Growth</u> 110.8 %	<u>Adjusted YTD Growth</u> 110.8 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$499.3 Million	<u>Actual YTD Cash</u> \$216.6 Million	<u>Adjusted YTD Cash</u> \$216.6 Million

FY 2008 other general revenue sources collected through the first four months of the fiscal year have increased by 110.8 percent as compared to collections through the first four months of fiscal year 2007. Other general revenue sources include the Gas Tax Transfer to the general fund, Other Miscellaneous Revenues, the Lottery Transfer to the general fund, and Unclaimed Property that is transferred to the State in June of each fiscal year. The FY 2008 preliminary growth estimate for other general revenue sources projects an increase of 23.0 percent in enacted other general revenue sources over preliminary FY 2007 collections. For the fiscal year-to-date period ending October 2007, total other general revenue sources were \$216.6 million as compared to \$102.7 million for the same period last year, an increase of \$113.8 million. Of the increase, \$124.0 million represents the net proceeds from the sale of residual Tobacco settlement bonds that were posted to the General Fund whereas \$11.9 million represents the decrease in the Lottery Transfer to the general fund for the first four months of FY 2008 versus the first four months of FY 2007. Unclaimed Property transfer to the general fund is reported in June of the fiscal year.

Total Taxes

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 2.1 %	<u>Actual YTD Growth</u> -3.5 %	<u>Adjusted YTD Growth</u> -3.6 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$2.611 Billion	<u>Actual YTD Cash</u> \$745.2 Million	<u>Adjusted YTD Cash</u> \$747.0 Million

Total tax revenues for the fiscal year-to-date period through October 2007 were \$745.2 million, or 3.5 percent less than the \$772.5 million in total taxes collected in FY 2007 through October 2006. The FY 2008 preliminary growth estimate for tax collections is 2.1 percent for enacted FY 2008 tax collections over preliminary FY 2007 tax collections. In FY 2007, the Tax Amnesty program resulted in late tax payment and overdue interest collections totaling \$9.7 million through October 2006, of which \$6.5 million were general revenue taxes. In FY 2008, motor vehicle license and fee revenues were underreported by \$1.8 million due to the late payment of FY 2007 interstate trucking fees. In FY 2007, motor vehicle license and fee revenues were underreported by \$2.3 million due to the late payment of FY 2006 interstate trucking fees. These modifications yield an adjusted growth rate -3.6 percent in total taxes.

Personal Income Taxes

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 1.6 %	<u>Actual YTD Growth</u> −0.3 %	<u>Adjusted YTD Growth</u> −0.3 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$1.083 Billion	<u>Actual YTD Cash</u> \$329.7 Million	<u>Adjusted YTD Cash</u> \$329.7 Million

Actual personal income tax collections for FY 2008 through for the first four months of the fiscal year were down \$1.1 million, or 0.3 percent, compared to the same period last fiscal year. The FY 2008 year-to-date growth rate lags behind the enacted FY 2008 over preliminary FY 2007 growth rate of 1.6 percent in personal income tax collections. The Tax Amnesty program, ending September 30, 2006, contributed with \$2.8 million in personal income tax collections in fiscal year 2007 through the end of October.

FY 2008 year-to-date income tax refunds paid were less by \$696,307 or −3.1 percent, compared to the same period in FY 2007. The −3.1 percent actual growth in cash income tax refunds paid between FY 2008 and FY 2007 is less than the preliminary growth rate for income tax refunds paid of 3.9 percent. The slowing in income tax refunds paid may not be substantial as, on average over the last five fiscal years, only 9.9 percent of total income tax refunds are paid in the first four months of the fiscal year.

Income tax withholding payments have increased by \$892,999, or 0.3 percent, through the first four months of FY 2008 when compared to the same period in FY 2007. The 0.3 percent actual growth in cash withholding payments between FY 2008 and FY 2007 is lower than the preliminary growth estimate for income tax withholding payments of 4.0 percent. On average, over the past five fiscal years, 30.3 percent of income tax withholding payments are collected in the first four months of the fiscal year. The appearance of sluggish actual growth in income tax withholding payments is largely due to an unusually large withholding payment made in September 2006 of \$9.7 million.

There has been a decrease in final income tax payments received. Fiscal year-to-date final income tax payments were down \$5.3 million, or −24.1 percent, through October of FY 2008 as compared to final payments for the first four months of FY 2007. The −24.1 percent actual growth in cash final income tax payments received between FY 2008 and FY 2007 is substantially lower than the preliminary growth rate for final income tax payments received of 4.4 percent. Despite this sizeable difference in growth rates, the decrease in final income tax payments received is minor and of little consequence given that, on average, over the last five fiscal years only 9.8 percent of total final income tax payments are received in the first four months of the fiscal year.

Finally, with respect to estimated income tax payments, year-to-date FY 2008 collections were up \$2.5 million from FY 2007 collections at this time last year. This increase translates into a fiscal year-to-date growth rate of 4.4 percent. The 4.4 percent actual growth in cash estimated

income tax payments received between FY 2008 and FY 2007 is higher than the enacted growth rate for estimated income tax payments received of -6.2 percent. On average, over the last five fiscal years 25.9 percent of total estimated income tax payments are made by the end of September.

Sales and Use Taxes

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 4.0 %	<u>Actual YTD Growth</u> -2.4 %	<u>Adjusted YTD Growth</u> -2.4 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$908.7 Million	<u>Actual YTD Cash</u> \$307.2 Million	<u>Adjusted YTD Cash</u> \$307.2 Million

Sales and use tax collections in FY 2008 were down \$7.4 million, or -2.4 percent, relative to last fiscal year at this time. The Division of Taxation reports that \$3.1 million of sales and use taxes collected through October 2006 were attributable to the Tax Amnesty. As always, the monthly sales tax receipts reported here reflect the prior month's retail sales activity. For both FY 2007 and FY 2008, the state's sales tax rate is 7.0 percent. The -2.4 percent growth in sales and use tax revenues for fiscal year-to-date 2008 is lower than the enacted FY 2008 over the FY 2007 sales and use tax preliminary collections growth estimate of 4.0 percent.

According to the Division of Taxation, within the sales tax components, registry receipts were down 9.3 percent in the first four months of FY 2008 when compared to same period last fiscal year. Net sales tax receipts remitted directly to the Division of Taxation posted a decrease of 1.5 percent during FY 2008's first four months versus the first four months of FY 2007. Providence Place Mall (PPM) sales tax receipts were up 15.1 percent through October of FY 2008 versus the same period in FY 2007. The robust growth in PPM sales tax receipts for July and August 2007 were somewhat overstated due to an error in sales tax paid by a Providence Place Mall retailer in July and August of 2007. A portion of the regularly occurring Providence Place Mall transfer to the State was made in September 2007. A transfer of just \$109,609 of PPM sales tax receipts was completed in September so that the correction could be made, resulting in \$881,991 of sales tax receipts transferred late in October that were attributable to September. In September's *Revenue Brief*, the \$109,609 and \$881,991 was described as a corrective transfer made to a sales tax payer when it was actually the remainder of the September transfer held until October in order to prevent recording and transferring an incorrect collection amount.

General Business Taxes

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 2.4 %	<u>Actual YTD Growth</u> -28.3 %	<u>Adjusted YTD Growth</u> -28.3 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$388.6 Million	<u>Actual YTD Cash</u> \$37.6 Million	<u>Adjusted YTD Cash</u> \$37.6 Million

In general, it is not possible at this time to begin to discern patterns in this year's general business tax collections. Most general business taxes are paid in March and June of the fiscal

year, with 40.0 percent of total tax liability due in March and 60.0 percent of total tax liability due in June.

Total general business taxes collected in the fiscal year-to-date October 2007 period were \$37.6 million, or \$14.8 million less than the \$52.4 million collected for the same period in FY 2007. Year-to-date growth in FY 2008 is -28.3 percent. The enacted FY 2008 growth over preliminary FY 2007 total general business taxes is 2.4 percent. The Tax Amnesty program resulted in general business tax collections of \$549,775 through October 2006.

FY 2008 year-to-date business corporations taxes were down \$12.4 million, or -40.2 percent, from last fiscal year at this time, and were lower than the business corporations tax estimate of 6.7 percent over FY 2007 preliminary collections. FY 2007 business corporations tax collections of \$227,291 were due to the Tax Amnesty through October 2006. In August 2007 a large business corporations tax refund was paid to a corporate taxpayer. On average, over the past five years, 14.0 percent business corporate tax payments are made through the first four months of the fiscal year.

Health care provider assessment taxes through October 2007 were \$17.7 million, an increase of 17.6 percent over the same period in FY 2007. In August 2007, a payment of \$2.0 million was posted for delinquent returns for four taxpayers. The health care provider assessment collections flow more evenly into the general fund over the course of the fiscal year. On average, over the past five years, 30.6 percent of health care provider assessment tax payments are made by the end of October.

Bank deposit taxes tend to post irregularly until March, when the first 60.0 percent of total tax liability is due. Bank deposit taxes of \$2,022 were received through the four months of FY 2008 as compared to \$55,070 collected through the first four months of FY 2006. On average, over the past five fiscal years, only 1.6 percent of bank deposit tax payments are collected in the first four months of the fiscal year.

The insurance companies tax is up 281.4 percent year-to-date. Insurance companies tax collections through October 2007 total \$409,891. Insurance companies taxes tend to post irregularly until March, when the first 60.0 percent of total tax liability is due. On average, over the past five fiscal years, only 0.4 percent of insurance companies tax payments are collected in the first four months of the fiscal year.

Finally, public utilities gross earnings taxes were \$1.0 million through October 2007, a decrease of 83.8 percent from collections of \$6.2 million through October 2006. This decrease is attributable to the \$5.6 million "Safe Harbor" payment made in August 2006. In September 2005, a public utilities gross earnings tax filer paid \$5.0 million in taxes related to FY 2005 in order to meet "safe harbor" provisions for its tax year 2005 estimated liability. In calendar year 2004, the public utility's gross earnings liability was \$29.3 million. In March 2005, an estimated payment of \$10.4 million was made and in June 2004 another estimated payment of \$14.0 million was made. In order to meet the "safe harbor" the public utility paid an additional \$5.0

million in September 2005. In August 2006 the public utility again paid \$5.6 million to help meet the “safe harbor” for its tax year 2006 estimated liability. However, there has been no comparable payment made to date in the current fiscal year.

Excise Taxes Other Than the Sales and Use Tax

Annual Growth Rates	<u>Preliminary Growth Estimate</u> —2.4 %	<u>Actual YTD Growth</u> —2.0 %	<u>Adjusted YTD Growth</u> —2.0 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$174.9 Million	<u>Actual YTD Cash</u> \$56.6 Million	<u>Adjusted YTD Cash</u> \$56.6 Million

Excise taxes other than sales and use taxes collected in the fiscal year-to-date October 2007 period totaled \$56.7 million or \$1.1 million less than the \$57.8 million collected for the same period in FY 2007. In FY 2008, June 2007 interstate trucking payments were made in July 2007 causing an understatement of \$1.8 million. In FY 2008 motor vehicle license and fee revenues were understated for the fourth straight year. In FY 2007, an understatement of \$2.3 million occurred in August 2006 due to the late payment for June 2006.

Rhode Island cigarette tax receipts are comprised of excise taxes collected on the sale of cigarettes, smokeless tobacco (which also includes cigars and pipe tobacco), and a one-time cigarette floor stock tax. The cigarette floor stock tax is imposed only when there is an increase in the excise tax on cigarettes. In FY 2007 and FY 2008 no increase in the cigarette excise tax was passed into law and, as a result, no cigarette floor stock tax revenues were collected in FY 2007 and none are expected for the current fiscal year. Total cigarette tax receipts for the first four months of FY 2008 were down 1.0 percent compared to the same period a year ago.

Finally, the change in cigarette consumption is determined. First, the value of the cigarette floor stock tax and smokeless tobacco products tax is netted out of the data. The result is a decrease in Rhode Island cigarette consumption of —1.4 percent for the first quarter of FY 2008 versus the first four months of FY 2007.

Other Taxes

Annual Growth Rates	<u>Preliminary Growth Estimate</u> —7.6 %	<u>Actual YTD Growth</u> —16.6 %	<u>Adjusted YTD Growth</u> —16.6 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$46.5 Million	<u>Actual YTD Cash</u> \$14.0 Million	<u>Adjusted YTD Cash</u> \$14.0 Million

Total other taxes collected through October of FY 2008 totaled \$14.0 million versus \$16.8 million in other taxes collected during the same period last fiscal year, a decrease of \$2.8 million, or —16.6 percent. The FY 2008 other taxes growth estimate is —7.6 percent over preliminary FY 2007 total other taxes. Inheritance tax collections totaled \$9.0 million through October of FY 2008, a decrease of 18.2 percent from the \$11.0 million collected through the first four months of

FY 2007. Given the fact that inheritance tax collections are volatile, it is not possible to make any valid comments about this revenue source. Racing and athletics tax collections through October of FY 2008 were up 3.2 percent relative to the same period in FY 2007. The preliminary growth estimate for racing and athletics tax collections is -11.0 percent. On average, over the past five fiscal years, 34.9 percent of racing and athletics tax collections were collected in the first four months of the fiscal year. Realty transfer taxes were down by 16.6 percent through October of FY 2008 versus October of FY 2007. This decrease in realty transfer taxes collected is substantial in comparison to the enacted realty transfer tax growth estimate of 8.3 percent over preliminary FY 2007 collections especially because, on average, over the past five fiscal years, 35.8 percent of realty transfer tax collections were collected in the first four months of the fiscal year.

Total Departmental Receipts

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 30.6 %	<u>Actual YTD Growth</u> 153.3 %	<u>Adjusted YTD Growth</u> 36.8 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$362.9 Million	<u>Actual YTD Cash</u> \$145.1 Million	<u>Adjusted YTD Cash</u> \$78.4 Million

FY 2008 year-to-date departmental receipts total \$145.1 million, an increase of \$87.8 million from the amount that was collected last fiscal year at this time. Actual departmental receipts for FY 2008 were up 153.3 percent when compared to receipts collected during the same period a year ago. The enacted FY 2007 growth estimate is 30.6 percent over preliminary FY 2007 departmental receipt collections. Adjustments are detailed below. It is important to note that, in the licenses and fees category of departmental receipts, the Hospital Licensing Fee for FY 2007 was not due until July 16, 2007 and the cash payment received in FY 2008 accrues back to FY 2007.

FY 2008 year-to-date growth in the licenses and fees category of departmental receipts is 214.1 percent, or \$73.0 million more than FY 2007 through October 2006. The Hospital Licensing Fee received in FY 2008 for FY 2007 accounted for \$66.8 million in departmental revenues. The first \$4.4 million of the Hospital Licensing Fee was paid in May 2007. Year-to-date intermediary hospital rate settlement payments were \$1.2 million higher through October 2007 over the same period in FY 2007. These payments are received irregularly throughout the year and the Department of Human Services is making an effort to collect these payments at an accelerated pace. Finally, Rhode Island Historic Preservation fees charged on applications for the State Historic Structures credit collected through October of FY 2008 exceeded those posted through October 2006 by \$1.2 million.

In the sales and services category of departmental receipts, FY 2008 year-to-date growth is 324.4 percent over FY 2007 collections of \$4.3 million through October 2006. The majority of the FY 2008 increase in sales and service revenues is a result of the statutorily delayed posting of FY 2007 uncompensated care payments. The FY 2007 uncompensated care payment to the Eleanor

Slater Hospital was \$12.9 million however these reimbursements for uncompensated care payments were shifted into FY 2008 in the FY 2007 Appropriations Act. The FY 2007 Appropriations Act changed the date the uncompensated care is required for FY 2007 to July 16, 2007, effectively FY 2008. The reimbursement was made on time however, due to the statutory change in timing this payment causes year-to-date departmental revenues to appear artificially robust. Additionally, Board and Support payments from patients at the General Hospital are higher through the first four months of FY 2008 as compared to the first four months of FY 2007 by \$445,326 and newborn metabolic testing fees are higher by \$455,364.

Fines and penalties were up \$1.9 million through the first four months of FY 2008 versus the first four months of FY 2007. FY 2008 first quarter insurance administrative penalties are up \$500,000 over the first quarter of FY 2007. Interest on overdue taxes was \$454,825 higher in FY 2008 through October compared to FY 2007 through October. Further, penalties on overdue taxes are higher in year-to-date FY 2008 by \$302,750 in comparison to year-to-date FY 2007. Finally, miscellaneous departmental revenues were down \$945,041, or 9.2 percent, through the first four months of FY 2008 versus the first four months of FY 2007.

Adjusting total departmental receipts for the hospital licensing fee results in an adjusted growth rate of 36.8 percent, an increase of \$21.1 million over FY 2007 departmental receipts collected through October 2006.

Gas Tax Transfer

Annual Growth Rates	<u>Preliminary Growth Estimate</u> —0.4 %	<u>Actual YTD Growth</u> —2.0 %	<u>Adjusted YTD Growth</u> —2.0 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$4.7 Million	<u>Actual YTD Cash</u> \$1.6 Million	<u>Adjusted YTD Cash</u> \$1.6 Million

The Gas Tax Transfer is down 2.0 percent for FY 2008 through October when compared to FY 2007 for the same period. The preliminary growth rate estimate for the gas tax transfer is —0.4 percent. In both FY 2008 and FY 2007, \$0.01 per gallon of the State's \$0.30 per gallon motor fuel tax is devoted to the general fund.

Other Miscellaneous Revenues

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 103.0 %	<u>Actual YTD Growth</u> 42,789.3 %	<u>Adjusted YTD Growth</u> 42,789.3 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$140.3 Million	<u>Actual YTD Cash</u> \$126.1 Million	<u>Adjusted YTD Cash</u> \$126.1 Million

Other Miscellaneous Revenues were up 42,789.3 percent in FY 2008 when compared to the same period one year ago. FY 2008 year-to-date collections total \$126.1 million compared to \$293,921 collected at this time last fiscal year. The bond proceeds from the sale of residual

Tobacco settlement money were posted to the General Fund in August 2007 in the amount of \$124.0 million. In June 2007, \$42.5 million of these proceeds were posted as general revenues thus, in June 2008, the year-to-date growth in other miscellaneous revenues is expected to remain substantial. The preliminary FY 2008 growth estimate for other miscellaneous revenues is 103.0 percent over preliminary FY 2007 collections. The actual year-to-date growth in other miscellaneous revenues is not a surprise given the lack of consistency in typical receipt patterns.

Lottery Transfer

Annual Growth Rates	<u>Preliminary Growth Estimate</u> 5.9 %	<u>Actual YTD Growth</u> -11.8 %	<u>Adjusted YTD Growth</u> -11.8 %
Annual Dollar Values	<u>Enacted Revenue Estimate</u> \$339.7 Million	<u>Actual YTD Cash</u> \$88.9 Million	<u>Adjusted YTD Cash</u> \$88.9 Million

The Lottery Transfer to the general fund is down 11.8 percent, or \$11.9 million, in the FY 2008 fiscal year-to-date period compared to the same period last year. In October 2006, the Division of Lottery made an early transfer \$20.0 million that it would normally have transferred in November. Adjusting for this early transfer would result in growth in the Lottery Transfer to the general fund of 10.0 percent. There were no changes made to the distribution of video lottery net terminal income (NTI) in the FY 2008 budget. In the first four months of FY 2008, the State's share of video lottery NTI grew 17.2 percent versus the same period in FY 2007. This exceeds the preliminary growth rate of 5.3 percent over preliminary FY 2007. The transfer to the State general fund from instant and monitor games is down 7.4 percent on for the first four months of FY 2008 versus the same period last year. The FY 2008 growth rate estimate for instant and monitor games is 8.4 percent over preliminary FY 2007.



Rosemary Booth Gallogly, State Budget Officer

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STATE OF RHODE ISLAND
Year To Date Revenues

	FY 2007 October	FY 2008 October	Change	Preliminary Estimate
<u>Personal Income Tax</u>	330,799,698	329,664,425	-0.3%	1.6%
<u>General Business Taxes</u>				
Business Corporations	30,776,592	18,409,008	-40.2%	6.7%
Public Utilities Gross Earnings	6,202,552	1,002,583	-83.8%	7.0%
Financial Institutions	535,595	33,553	-93.7%	-91.4%
Insurance Companies	(225,972)	409,891	-281.4%	21.6%
Bank Deposits	50,070	2,022	-96.0%	-4.4%
Health Care Provider Assessment	15,107,208	17,762,566	17.6%	1.9%
<u>Excise Taxes</u>				
Sales and Use	314,659,007	307,229,684	-2.4%	4.0%
Motor Vehicle	11,952,670	10,924,828	-8.6%	7.2%
Motor Fuel	377,973	545,174	44.2%	-16.1%
Cigarettes	41,926,735	41,495,324	-1.0%	-6.6%
Alcohol	3,524,988	3,684,169	4.5%	3.7%
Controlled Substances	-	-	-	-
<u>Other Taxes</u>				
Inheritance and Gift	10,998,419	8,991,942	-18.2%	-13.2%
Racing and Athletics	948,288	978,365	3.2%	-11.0%
Realty Transfer	4,889,196	4,077,146	-16.6%	8.3%
Total Taxes	\$ 772,523,018	\$ 745,210,680	-3.5%	2.1%
<u>Departmental Receipts</u>				
Licenses and Fees	34,079,688	107,038,341	214.1%	
Fines and Penalties	8,638,415	10,506,053	21.6%	
Sales and Services	4,295,914	18,232,090	324.4%	
Miscellaneous	10,287,071	9,342,030	-9.2%	
Total Departmental Receipts	\$ 57,301,088	\$ 145,118,514	153.3%	30.6%
Taxes and Departmentals	\$ 829,824,106	\$ 890,329,194	7.3%	4.9%
<u>Other General Revenue Sources</u>				
Gas Tax Transfer	1,633,685	1,601,347	-2.0%	-0.4%
Other Miscellaneous Revenues	293,921	126,060,670	42789.3%	103.0%
Lottery Transfer	100,799,490	88,900,000	-11.8%	5.9%
Unclaimed Property		-	-	27.4%
Total Other Sources	\$ 102,727,096	\$ 216,562,017	110.8%	23.0%
Total General Revenues	\$ 932,551,202	\$ 1,106,891,211	18.7%	7.1%